# GOVERNMENT OF INDIA
# AGRICULTURE AND FARMERS WELFARE
# LOK SABHA

UNSTARRED QUESTION NO:1413
ANSWERED ON:08.12.2015
MSP and Market Price of Foodgrains
Bhabhor Shri Jasvantsinh Sumanbhai;Jadhav Shri Prataprao Ganpatrao

**Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:**

(a) whether there is a difference between Minimum Support Price and Market Price of foodgrains;

(b) if so, the details thereof;

(c) whether it is a fact that the farmers have not been benefited from the existing market price of foodgrains and the price rise; and

(d) the reaction of the Government thereto and the corrective steps taken by the Government in this regard?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

???? ??? ????? ?????? ???????? ??? ????? ?????? (SHRI MOHANBHAI KUNDARIA)

(a) to (d): The market prices of all commodities including foodgrains are determined by the market forces of supply and demand.

Minimum Support Price (MSP) is fixed by the Government for 22 crops namely Paddy, Jowar, Bajra, Maize, Ragi, Arhar (Tur), Moong, Urad, Cotton, Groundnut, Sunflower, Soyabean, Sesamum, Nigerseed, Wheat, Barley, Gram, Lentil (Masur), Rapeseed/Mustard, Safflower, Copra, Jute and Fair Remunerative Price (FRP) for Sugarcane based on the recommendation of Commission for Agricultural Costs and Prices (CACP) and consultation with the States/UTs and Central Ministries/Departments.

Government ensures remunerative price to the growers by offering to procure their produce at MSP fixed by the Government. However, farmers are free to sell it to Government agencies at MSP or in the open market at market prices as is advantageous to them.

The Government has taken several steps to ensure that farmers get adequate price for their produce, which, inter alia, includes advising the States/UTs to amend their respective State APMC Acts, on the lines of Model Act, 2003. The Model Act provides for direct marketing, contract farming, farmers/consumer markets, setting up of markets in private and cooperative sector, e-trading etc. In addition Government is also implementing Marketing Research and Information Network (MRIN) with the objective to collect and disseminate prices and arrival data for the benefit of farmers and other stakeholders to facilitate the farmers in taking better production and marketing decisions to get more remunerative prices for their produce.

The Government has also approved the Central Sector Scheme for promotion of National Agriculture Market through Agri-Tech Infrastructure Fund (A-ITF). The Scheme provides for a pan-India electronic training portal which seeks to network the existing Agricultural Produce Marketing Committees (APMC) and other market yards to create a unified national market for agricultural commodities.
**********